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Dear House Education Committee Members:

The Service Employee International Union (SEIU) represents approximately 6,000 school and college employees and we urge you to vote "no" on House Bill 4947 (the School Defined Contribution/Graded Scale Premium Bill). This bill drastically reduces the pension and health care benefits of ALL school and college employees. While SEIU appreciates the budget difficulties all school districts and the state are currently facing, we strongly believe that their budgets should not be balanced on the backs of school employees and their families.

First of all, defined contribution plans will make school employees even more vulnerable to the ups and downs of the stock market; instead of providing a secure retirement after many years of service. The retirees and employees currently in the defined benefit plan would remain in a closed, (dying) pension system, which will create challenges in investing the funds and seeing that their benefits are protected.

Secondly, HB 4947 institutes a health care plan (graded scale premium) that will place health insurance out of the reach of many support staff (who are not full time employees). These are your school's crossing guards, bus drivers, cafeteria workers, librarians and teacher aides. It will also hurt employees who have taken time off for family purposes. Women make up a large portion of the workers in both of these categories, thus, disproportionately impacting women.

Thirdly, there is no immediate cost savings in this bill. It will take decades for this graded scale premium to create cost savings and the costs of setting up a new defined contribution plan will eat away at most of those cost savings.

Fourthly, this bill will negatively impact our schools and colleges ability to attract, hire and retain competent teachers and support staff and our entire educational system.

Thank you, I appreciate your attention on this vital issue and urge you to vote "no" on House Bill 4947 (the School Defined Contribution/Graded Scale Bill). If you would like to discuss this issue further, please call me at (517) 482-4886.

SERVICE EMPLOYEES
INTERNATIONAL UNION
AFL-CIO, CLC

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